

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF determining  
Whether there has been a violation of the  
Securities Act of Washington by:

Alvin L. McGill,

Respondent.

SDO – 60-00

STATEMENT OF CHARGES AND NOTICE  
OF INTENTION TO SUSPEND SECURITIES  
SALESPERSON REGISTRATION

Case No. 00-04-117

THE STATE OF WASHINGTON TO: ALVIN L. MCGILL  
3212 25<sup>th</sup> Ave. W  
Seattle, WA 98199

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, Alvin L. McGill, has engaged in dishonest and unethical practices in the securities business while employed as a registered securities salesperson for Pacific Harbor Securities, Inc., and that those practices justify the twenty (20) day suspension of Respondent's securities salesperson registration pursuant to RCW 21.20.110(1)(g). The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

**RESPONDENT**

1. Alvin L. McGill ("McGill") is registered with the State of Washington as a securities salesperson for Pacific Harbor Securities, Inc. ("Pacific"). Pacific is a broker/dealer of securities and has its principal place of business at 5455 West 11000 North, Suite 201, Highland, UT 84003.

2. McGill's office of employment with Pacific is 2101 4<sup>th</sup> Ave, Suite 300-C, Seattle, WA 98121.

3. On or about March 10, 2000 the Securities Division began an investigation in to McGill's activities as they related to violations of the Securities Act alleged in a lawsuit that the Securities Division examiners had discovered during a routine examination of Pacific, during February 2000.

STATEMENT OF CHARGES AND NOTICE OF INTENTION TO SUSPEND SECURITIES SALESPERSON REGISTRATION

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 **NATURE OF MCGILL'S CONDUCT**

2 4. On or about December 13, 1994, McGill convinced a 50 year old, recently widowed customer to loan  
3 him \$10,000, promising 6% annual interest, with the principal coming due on March 13, 1995. The loan was evidenced  
4 by a promissory note dated December 13, 1994.

5 5. On or about January 6, 1995 McGill convinced the same Customer to make him a second loan. This  
6 loan was in the amount of \$5,000, with annual interest promised at an annual rate of 6% and coming due July 6, 1995.  
7 The loan was evidenced by a promissory note dated January 6, 1995.

8 6. On or about February 17, 1995 McGill convinced the same Customer to make him a third loan. This  
9 loan was in the amount of \$5,000, with annual interest promised at an annual rate of 6% and coming due August 17,  
10 1995. The loan was evidenced by a promissory note dated February 17, 1995.

11 7. On or about March 30, 1995 McGill convinced the same Customer to make him a fourth loan. This  
12 loan was in the amount of \$5,000, with annual interest promised at an annual rate of 6% and coming due September 30,  
13 1995. The loan was evidenced by a promissory note dated March 30, 1995.

14 8. On or about January 2, 1996 McGill requested a 5<sup>th</sup> loan, in the amount of \$4,000, from the same  
15 Customer. The Customer refused to give McGill any more money.

16 9. Throughout the terms of these loans, and continuing thereafter McGill convinced his Customer that she  
17 would eventually be repaid. In November 1996 the Customer demanded repayment of the full \$25,000 she had loaned  
18 McGill, along with interest. The Customer was repaid in full on 7/11/97, following legal action.

19 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

20 **CONCLUSIONS OF LAW**

21 McGill, as described above, engaged in one or more dishonest or unethical practices in the securities  
22 business, as defined by WAC 460-22B-090(1), by engaging in the practice of borrowing money from customers. Such  
23 practice is grounds for the twenty (20) day suspension of his salesperson registration pursuant to RCW 21.20.110(1)(g).

